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**Терехова Юлия Зиновьевна,**

*старший преподаватель*

*кафедры иностранных языков № 1*

*Российский Экономический Университет им. Г. В. Плеханова*

**Yulia Terekhova**

*Senior lecturer of Foreign Languages Department № 1*

*Plekhanov Russian University of Economics*

**КОНЦЕПТУАЛЬНЫЙ ПОДХОД К ФОРМИРОВАНИЮ  
ПРОФЕССИОНАЛЬНОЙ ЭТИКИ В ПРОФЕССИИ АУДИТОРА  
THE CONCEPTUAL APPROACH TO THE FORMATION OF  
PROFESSIONAL ETHICS IN THE AUDIT PROFESSION**

*Аннотация.* Автор рассматривает важность формирования профессиональной этики при разработке аудиторской профессии в пределах одной страны.

**Ключевые слова:** Аудиторская этика, признание и принятие ответственности, объективность, конфиденциальность, профессиональное поведение.

*Annotation.* The author examines the importance of formal professional code of ethics when developing audit profession within one country.

**Keywords:** Auditor ethics, recognition and acceptance of the responsibility, objectivity, confidentiality, professional behavior.

The educational process in any University of economics should teach students to manage their own motivation so that they become competent and successful professionals, to reach the top and experience a sense of self-esteem.

The aim of this article is to examine the development of professional auditor ethics as a fundamental factor for achieving success in their career. The

professional activity requires any auditor to have skills and knowledge, including those in the field of accounting, audit, taxation, consulting and financial management.

The main feature of an auditor competence system is that it should be aimed at establishing direct links with the community. When forming the system of competencies it is vital to take into account their dual character, on the one hand - their individual dependence, and on the other hand - their social origin.[4, c.338]

A distinctive feature of the auditing profession is recognition and acceptance of the responsibility to act to public ends. Acting in public interest, the auditor must comply with the requirements of professional auditing ethics and obey them.

The auditor should comply with the following basic principles of ethics:

- Integrity;
- objectivity;
- professional competence and due care;
- confidentiality;
- professional behavior.

### **Conceptual Approach**

Some circumstances in auditing may create irregularity threats to fundamental ethical principles. However, it is impossible to describe all threats to basic principles of ethics and to determine how to react.[5, c.69]

The conceptual approach to complying with the fundamental principles of ethics is as follows: the auditor should identify the threat of irregularities, evaluate them and take retaliatory actions against such threats.

The conceptual approach to complying with the fundamental principles of ethics contributes to the auditing activity to public ends.

The basic principles of ethics can be threatened by a wide range of circumstances and relationships. Such circumstances or relationships may become a danger and lead to ethical irregularities. [4, c.338] Mostly these threats can be divided into the following types:

- personal interest threats that may arise as a result of financial or other interest of the auditor and influence improperly his judgment or behavior;
- self-control threats, which may arise when the auditor relies on various judgments positively while forming their view in the course of their current job;
- a patronage threat that may arise in cases where the auditor comes to certain limits beyond which his impartiality might be questioned;
- a familiarity threat, which may arise as a result of long and (or) a close relationships with the client;
- a blackmail threat that may arise when trying to prevent the auditor from acting objectively.

### **Fairness**

The auditor should act openly and honestly within all professional and business relationships. The principle of fairness also implies the fair business conduct and credibility.[6,c.230]

The auditor should not be intentionally associated with reporting, documents, messages or any other information.

In cases where the auditor becomes aware of being connected with such information, they should take steps to eliminate it.

### **Objectivity**

The auditor should not allow any bias, conflict of interests to affect the objectivity of their judgments.

The auditor may get into a situation that could harm their objectivity. The auditor should avoid any relationships that may distort or affect their judgment.

### **Professional competence and due care**

Complying with the principle of professional competence and due care requires the auditor:

- continuously maintain knowledge and skills at a level that ensures customers are provided with qualified professional services based on the latest practices and legislation;

- act fairly in accordance with applicable professional standards when providing professional services.
- Professional competence is provided in two stages:
  - achieving an adequate level of professional competence;
  - maintaining an adequate level of professional competence.
- Continual professional development maintains the auditor's ability to perform competently in a professional environment. [2, c.225]

### **Confidentiality**

Complying with the principle of confidentiality requires the auditor:

- to ensure the confidentiality of information obtained as a result of professional or business relationships, and not to disclose this information to third parties, except where the auditor has a legal or professional right or duty to disclose such information;
- not to use any confidential information obtained as a result of professional or business relationships to get any benefits for themselves or any third party. [5,c. 69]

The auditor must maintain the confidentiality beyond their professional environment, bearing in mind the danger of undeliberate disclosure to those who are their close partners or immediate family.

It is necessary to maintain confidentiality after finishing relationships between the auditor and their client. Changing jobs, or starting work with a new client, the auditor is entitled to use their prior experience. However, the auditor should not use or disclose confidential information collected or obtained earlier as a result of professional or business relationships.[3, c.23]

Here the list of these circumstances, under which the auditor must or may disclose confidential information, or such disclosure may be appropriate:

- a) the disclosure is permitted by law and (or) authorized by the client;
- b) the disclosure is required by law, (e.g.):
  - while preparing documents or presenting evidence in the course of judicial proceedings:

- when reporting the public authorities about breaches of legislation disclosed by the auditor during the audit;
- c) the disclosure is a professional duty or right (unless prohibited by law):
  - with external quality control carried out by the self-regulatory organization of auditors(that they are members of) , or the authorized federal body;
  - in response to a self-regulatory organization of auditors' request (or in the course of the investigation), or an authorized state body;
  - while protecting their professional auditor interests during the trial.[1, c.338]

Considering the possibility of confidential information disclosure , the auditor should take into account:

- i. the interests of any party are to be damaged, including third parties whose interests may also be affected;
- ii. the relevant information is fairly well known and reasonably justified.
- iii. the complexion of the alleged message and the party, which is planned to transfer information to;
- iv. whether the parties, which are expected to obtain the information are the appropriate recipients.

### **Professional conduct**

The integrity of professional conduct requires the auditor to comply with demands of the applicable regulatory acts.

The auditor should not discredit the profession in the process of proposing and promoting his candidacy and services. The auditor should be honest, truthful and should not:

- a) make statements, exaggerating the level of services they can provide, their qualifications and experience;
- b) disparage other auditors work or compare unreasonably their work with the work of other auditors.

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